

Hinchey Urged Creation of Small Business Lending Fund Last Year

Kingston, NY - Congressman Maurice Hinchey (D-NY) today announced that \$9.7 million from the federal Small Business Lending Fund (SBLF) has been awarded to Catskill Hudson Bancorp, Inc. (Catskill Hudson Bank) by the U.S. Department of the Treasury to help boost lending to small businesses in the Hudson Valley and the Catskills. Hinchey, last year, called for and voted to create the federal SBLF after listening to the concerns of numerous small business owners who said their job creation efforts had been seriously hindered by limited access to capital and loans.

"Small businesses are the backbone of this economy," said Hinchey. "They create most of the jobs, and they need our support to help get this economy back on track. Last year I went on a listening tour of small businesses and small manufacturers throughout the Hudson Valley, the Catskills and the rest of the congressional district I represent. What I heard over and over was the need for more access to capital. Ever since the financial meltdown on Wall Street, small business owners have struggled to get the loans they need to grow their businesses and create jobs. That's why I went back to Washington and fought for the creation of the Small Business Lending Fund to help address this problem. Today, nearly \$10 million in federal support has been awarded to Catskill Hudson Bank, enabling this growing community bank to extend more loans to small businesses throughout our part of New York. It's great news for our local economy."

The SBLF, which was established as part of the Small Business Jobs Act that Hinchey voted for and President Obama signed into law, facilitates the ability of community banks to increase their lending to small businesses, helping those companies expand their operations and create new jobs.

Small businesses play a critical role in the U.S. economy and are central to growth and job creation. Small businesses employ roughly one-half of all Americans and account for about 60 percent of gross job creation. However, small business owners faced disproportionate challenges in the aftermath of the recession and credit crisis, including difficulty accessing capital.

The SBLF helps small businesses meet this challenge by providing capital to community banks

that hold under \$10 billion in assets. The dividend rate a community bank pays on SBLF funding is reduced as that bank increases its lending to small businesses – providing a strong incentive for new lending to small businesses so they can expand and create jobs. For more details on the SBLF program, please visit

<http://www.treasury.gov/resource-center/sb-programs/Pages/Small-Business-Lending-Fund.aspx>.

Catskill Hudson Bank was founded in 1993 and has grown to eleven branches – serving Sullivan County with locations in Monticello, Liberty, Rock Hill, Neversink, South Fallsburg, Callicoon, Narrowsburg, Youngsville, and Livingston Manor, serving Orange County in Middletown and serving Ulster County in Ellenville. Corporate Offices are located in the Frontier Insurance building in Rock Hill.